

AMENDED IN ASSEMBLY JULY 14, 2003

AMENDED IN SENATE MAY 22, 2003

AMENDED IN SENATE MAY 6, 2003

**SENATE BILL**

**No. 191**

---

**Introduced by Senator Alarcon**

February 12, 2003

---

~~An act to amend Sections 11735, 11736, and 11737 of, and to add Sections 11732.7, 11732.8, 11735.5, and 11742 to, the Insurance Code, An act relating to workers' compensation insurance.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 191, as amended, Alarcon. ~~Workers' compensation insurance rates.~~

*Existing law provides that an injury of an employee arising out of and in the course of employment is generally compensable through the workers' compensation system.*

*This bill would state the intent of the Legislature to improve the workers' compensation system by promoting the efficient delivery of high quality appropriate medical care.*

~~Existing law requires a rating organization to develop pure premium rates, as defined, for workers' compensation insurance, and requires the commissioner to approve, disapprove, or modify those pure premium rates. Existing law requires every workers' compensation insurer to adhere to a uniform experience rating plan approved by the Insurance Commissioner that uses past insurance experience of an individual policyholder to forecast future losses, as specified. Existing law places certain restrictions on workers' compensation insurance rates and~~

~~requires the commissioner to disapprove rates in specified circumstances.~~

~~This bill would prohibit workers' compensation rates from being excessive, would describe when rates are to be deemed excessive, and would require the commissioner to disapprove rates so deemed. The bill would require a workers' compensation insurer that desires to use any rates lower than the pure premium rates approved by the commissioner to file a complete rate application with the commissioner, as specified.~~

~~Existing law sets forth elements that an experience rating plan must contain, as specified.~~

~~This bill would require, in addition, that an experience rating plan contain a provision for rewarding employers, however small, that have been claim free for 2 years prior to the issuance of a policy.~~

~~The bill would require the commissioner, on or before July 1, 2004, to establish and maintain, on the Internet Web site maintained by the department, an online rate comparison guide showing workers' compensation insurance rates for the 50 insurance companies writing the highest volume of business in this line during the 2 preceding years, and other specified information.~~

~~The bill would provide that it would not become operative unless SB 229 of the 2003-04 legislative session becomes operative.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes no. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. —Section 11732.7 is added to the Insurance Code,~~  
 2 *SECTION 1. It is the intent of the Legislature to improve the*  
 3 *workers' compensation system by promoting the efficient delivery*  
 4 *of high quality appropriate medical care.*

5  
6  
7 **All matter omitted in this version of the**  
 8 **bill appears in the bill as amended in the**  
 9 **Senate, May 22, 2003. (JR 11)**  
 10  
11  
12  
13  
14  
15  
16  
17  
18  
19

O